

Memorandum

MIAMI-DADE
COUNTY

Date: August 23, 2005

To: Honorable Chairperson Joe A. Martinez and
Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: FY 2004-05 Mid Year Budget Amendment and Supplemental Budget

Agenda Item No. 12(B)1

On today's agenda are two related items, the FY 2004-05 Mid-Year Budget Amendment and FY 2004-05 Mid-Year Supplemental Budget. The purpose of this report is to provide additional information regarding these items. We have worked closely with the Commission Auditor to review these reports.

The Miami-Dade County Home Rule Charter and State law provide that the Board of County Commissioners approve the County's annual budget. These laws also require that expenditures not exceed the authorized budget. However, because it is, by definition, impossible to budget for extraordinary or unplanned events, it is sometimes necessary to make adjustments to the authorized budget during the fiscal year. These adjustments are only necessary if expenditures will exceed the authorized budget; revenues in excess of budget that are not going to be spent in the current year will be carried over into FY 2005-06 and do not require authorization.

FY 2004-05 Mid-Year Budget Amendment

A budget amendment is necessary for departments that receive a general fund subsidy. While the entire general fund budget is not increased, expenditure authorization is transferred from one account to another. In the case of the FY 2004-05 Mid-Year Budget Amendment, authorization is being transferred from reserves, a planned expenditure that did not occur (County support for state-run juvenile predisposition detention costs) and a planned expenditure that has been transferred from one department to another (transportation services planned to be provided by the Community Action Agency are instead being provided by the Department of Human Services). The increased general fund subsidy is covering higher than budgeted costs, including wage adjustment related costs as described above as well as other Board-approved or unanticipated cost increases, or under-performing revenues, as is the case for the Park and Recreation Department. The amount of appropriation being reallocated through the amendment represents 1.77 percent of the total General Fund budget of \$1.439 billion.

FY 2004-05 Mid-Year Supplemental Budget

For departments whose fiscal activity occurs in a fund separate from the general fund, who are at least in part supported by revenues other than the general fund, a supplemental budget is required if expenditures are projected to exceed the authorized budget. These higher expenditures may be funded by revenues that are higher than budgeted, unbudgeted carryover, or by additional general fund subsidy. The total of all adjustments contained in the supplemental budget is approximately 1.5% of the \$3.9 billion authorized budget. Of these adjustments, 97% is funded by higher than anticipated revenues or unbudgeted carryover.

A department may require both a supplemental budget and a budget amendment, as is the case with the Park and Recreation Department. The Department's fiscal activity occurs in a fund separate from

the General Fund. Because total projected expenditures for the Department exceed the total expenditures authorized in the final budget, a supplemental budget is necessary to provide the authorization to spend what has been projected. Also, because the Department receives a general fund subsidy and some of the additional expenditures are due to general fund supported activities, additional authorization is required within the general fund to make the necessary transfer. In addition, the projections for some revenues are less than predicted in the final budget and general fund revenue is being transferred to cover the necessary expenditures. Because the Department was able to save money in other line items, the total additional expenditure authorization and the general fund subsidy are less than the identified over-expenditures.

As stated above, a number of the adjustments that are being made through these items are due to extraordinary or unplanned events or circumstances and there are cases where decisions have been made to spend beyond the authorized budgets. However, some of the adjustments contained in these documents are by design. As we have in the past, the funding necessary to cover the negotiated wage adjustment effective in July for departments receiving a general fund subsidy was budgeted in a reserve, rather than being allocated directly to the departments. This strategy has been employed for a number of years in order to encourage the departments to absorb much of the cost of the wage adjustment through other cost savings. As budgets have become tighter in recent years, fewer departments have been able to absorb these costs. As we finalize the FY 2005-06 Proposed Budget, we will revisit this budget strategy.

Finally, some of the adjustments included in the supplemental budget are technical in nature. As an example, tourist taxes, which are coming in higher than anticipated in the final budget, must be transferred to the appropriate accounts pursuant to ordinances governing the use of these funds. Similar adjustments of this nature may be necessary at the end of the year as well.

The attached schedule details, by department, the reasons for the adjustments that are to be made, the source of funding supporting the adjustment, and within which item the adjustment is being made. The budget amendment and supplemental budget items include explanations of each of the line items within the context of the approved budget. I hope that this clarifies these items. If you have any questions prior to the meeting, please feel free to contact Jennifer Glazer-Moon or me.

Attachment


Assistant County Manager

07905

Summary of Mid-Year Budget Amendment and Supplemental

Department	Description	Adjustments	Value	Source of funds	Supplemental Budget	Value	General Fund Amendment Value
General Fund	Tax Equalization Reserve						(2,250,000)
	Wage Adjustment, Retirement, Separation, and Energy Reserve						(14,094,000)
	Savings from Juvenile Predisposition costs - State did not shift costs as originally anticipated						(6,437,000)
	Reserve for Prior Year Encumbrances						(1,400,000)
	Public Safety Reserve						(870,000)
	Community Action Agency - Transportation responsibilities shifted to Department of Human Services						(350,000)
	TOTAL						(25,401,000)
Agenda Coordination	Printing and reproduction						
			<u>111,000</u>				
			<u>111,000</u>				
Animal Services	Overtime						
	Part-time employees						
	MDPD position costs						
	Vacancies						
	Wage adjustment						
	Separation costs						
	Workers' Compensation						
	FRS rate increase						
	Facility improvements						
	Postage charges						
	Vehicle charges						
	TOTAL						576,000
Board of County Commissioners	Unexpended office balances						
	Separation costs						
	Office expenditures						
			<u>2,518,000</u>				<u>3,228,000</u>
			<u>53,000</u>				<u>657,000</u>
			<u>576,000</u>				<u>3,228,000</u>

3

Summary of Mid-Year Budget Amendment and Supplemental

Department	Description	Adjustments Value	Source of funds	Supplemental Budget Value	General Fund Amendment Value
Commission on Ethics and Public Trust	Additional positions Audit of campaign accounts Departmental savings	60,000 103,000 <u>(\$58,000)</u> 105,000			<u>105,000</u> 105,000
Community Relations	Reclassifications, increased salaries Wage adjustment Fringe benefits Radio equipment Fleet charges Clothing and uniforms Printing Cellular phones Temporary contracts After-hours meeting expenses Equipment repair and leasing	81,000 9,000 15,000 4,000 9,000 12,000 36,000 1,000 43,000 10,000 11,000 231,000			
Corrections and Rehabilitation	Overtime Negotiated wage adjustment Separation costs Electrical costs Food services increases	2,300,000 1,200,000 1,000,000 900,000 400,000 5,800,000	Carryover Other revenues	1,356,000 <u>144,000</u> <u>1,500,000</u>	<u>4,300,000</u> 4,300,000
County Attorney	Wage adjustment Separation costs Mediation costs	110,000 252,000 44,000 406,000			<u>406,000</u> 406,000

4

Summary of Mid-Year Budget Amendment and Supplemental

Department	Description	Adjustments Value	Source of funds	Supplemental Budget Value	General Fund Amendment Value
Elections	Seasonal employees Overtime Workers' Compensation ES&S Project Management Poll workers Security services Interdepartmental charges Telephone charges Polling location expenses Vehicle rental charges Postage Printing charges Supplies ES&S charges Advertising costs Legal Advertising Sample ballots	1,594,000 1,490,000 63,000 228,000 1,108,000 309,000 192,000 336,000 67,000 121,000 133,000 212,000 70,000 1,004,000 22,000 324,000 234,000 7,507,000			
Fire and Rescue	Personnel costs - wage adjustment, extra duty and union activity pay, overtime Anti-Venom Unit Laptop computers Temporary contract services Training materials Travel Ocean Rescue Wage adjustment Overtime Vacancies Other operating savings			31,000 2,000 8,000 6,000 3,000 50,000 12,000 360,000 (200,000) (15,000) 157,000	50,000 50,000 157,000 157,000

5

Summary of Mid-Year Budget Amendment and Supplemental

Department	Description	Adjustments Value	Source of funds	Supplemental Budget Value	General Fund Amendment Value
General Services Administration	Fuel costs Fleet equipment purchases Public Works Community Action Agency Other departments	4,000,000 3,200,000 560,000 <u>740,000</u> 8,500,000	Fuel charges Departmental charges	4,000,000 4,500,000 8,500,000	
Housing Finance Authority	Line of credit expenses	350,000 350,000	Housing fees and charges	350,000 350,000	
Human Services	Wage adjustment Separation costs Transportation unit	386,000 640,000 <u>700,000</u> 1,726,000			<u>1,726,000</u> 1,726,000
Medical Examiner	Training program coordination Separation costs	38,000 <u>68,000</u> 106,000	General Fund Subsidy Training fees and Carryover	68,000 38,000 106,000	68,000 68,000
Miami-Dade Housing Agency	Section 8 reauthorized contracts Shelter Plus program Surtax/SHIP program	28,400,000 1,958,000 6,816,000 <u>37,174,000</u>	Federal funding Carryover	30,358,000 6,816,000 <u>37,174,000</u>	
Miami-Dade Police Department	Wage adjustment	<u>2,404,000</u> 2,404,000			<u>2,404,000</u> 2,404,000
Miami-Dade Transit	South Florida Regional Transportation Authority payment	<u>306,000</u> 306,000		306,000 306,000	<u>306,000</u> 306,000

6

Summary of Mid-Year Budget Amendment and Supplemental

Department	Description	Adjustments Value	Source of funds	Supplemental Budget Value	General Fund Amendment Value
Office of Capital Improvements	Personnel Operating and capital expenditures	400,000 <u>127,000</u> 527,000	Bond Proceeds		<u>527,000</u> 527,000
Park and Recreation	Operations				
	Wage adjustment	490,000			
	Separation costs	520,000			
	NASDAQ 100 (security services)	15,000			
	NASDAQ 100 (MDPD services)	55,000			
	NASDAQ 100 (transit services)	28,000			
	NASDAQ 100 (shuttles)	12,000			
	NASDAQ 100 (road preparation)	20,000			
	Crandon Tennis Center A/C water tower cooler replacement	110,000			
	Crandon Tennis Center court repairs	52,000			
	Transfer to Marina MOU reserve	1,042,000			
	Fairchild Tropical Gardens - prior year contract	284,000			
	Community-based organization - prior year contracts	<u>19,000</u>			
	Subtotal expenditure increases	2,647,000			
	NASDAQ 100	160,000	Convention Development Tax*	292,000	
	Deering Estate revenue shortfall	130,000	General Fund subsidy	<u>1,010,000</u>	
	Golf operations revenue shortfall	1,193,000	Marina revenues - MOU carryover	1,042,000	
	Contract Correction	442,000	Fairchild Tropical Gardens Carryover	284,000	
	Other unrealized revenues	<u>6,000</u>	CBO carryover	19,000	
	Subtotal under performing revenues	1,931,000		2,647,000	
	Miami Metrozoo				
	Wage adjustment	46,000			
	Supplemental pay adjustment	10,000			
	Separation costs	14,000			
	Selective wage adjustment	50,000			
	Miami Metrozoo revenue shortfall	<u>1,304,000</u>	General Fund subsidy	<u>120,000</u>	
		1,424,000		120,000	

Summary of Mid-Year Budget Amendment and Supplemental

Department	Description	Adjustments	Value	Source of funds	Supplemental Budget Value	General Fund Amendment Value
Procurement Management	Temporary employees Overtime Wage Adjustment	60,000 10,000 <u>47,000</u> 117,000		UAP revenue	<u>117,000</u> 117,000	
Property Appraisal	Separation costs Overtime Additional positions	176,000 141,000 330,000 647,000				<u>647,000</u> 647,000
Public Works Department	Engineering and appraisal services Increased staffing levels	267,000 145,000 412,000		Construction Permit Fees Carryover	291,000 <u>121,000</u> 412,000	
Solid Waste Management	Personnel costs Temporary contract costs Other operating savings	1,531,000 1,195,000 <u>(330,000)</u> 2,396,000		Waste collection fees Carryover	<u>2,165,000</u> <u>561,000</u> 2,726,000	
Tourist Taxes	Professional Sports Franchise Facility Tax transfer Tourist Development Tax transfer Vizcaya Museum and Gardens operating support NASDAQ 100 expenditure increase NASDAQ 100 revenue loss Performing Arts Center Trust Miami Sports and Exhibition Authority Agreement expenses Parcel B preparation expenses	768,000 1,570,000 739,000 292,000 160,000 76,000 705,000 <u>195,000</u> 4,505,000		Professional Sports Franchise Facility Tax revenues Tourist Development Tax Convention Development Tax	768,000 <u>1,570,000</u> <u>2,167,000</u> 4,505,000	

J